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Department of State

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Rec'd: November 6, 1961
12:49 p.m.

Info

FROM: Baghdad

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TO: Secretary of State

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NO: 225, November 6, 2 p.m.

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ACTION DEPARTMENT 225, INFORMATION AMMAN 50, DAMASCUS 29
CAIRO 61.

Iraq and Syria signed November 3 Economic Cooperation Agreement which validated and extended to Syria certain trade arrangements formerly in effect between Iraq and UAR. New agreement also went long way toward implementing Iraq's conception of Arab Economic Union as presented to Arab League Economic Council. Each country agreed to give preference to imports of agricultural and manufactured goods originating in others territory. Syrian delegation reported to have obtained Iraqi assurances that list of free entry items would conform to Syrian requirements. Other lists of commodities will provide for 25 and 50 percent reductions on present tariff rates. Joint Committee set up to review lists and to facilitate implementation of agreement, including transit arrangements.

Current trade accounts to be settled in free exchange rather than in sterling under terms of annual payments agreement. Capital for bona fide investment to be transferable between Iraq and Syria and arrangements made to encourage such activity. Agreement also provides for freedom of residence, work and employment in each other's territory, subject to security and other formalities.

With regard to Government-owned Rafidain branch banks, Syrian delegation insisted on giving Iraq choice of incorporating under

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By PT NARA Date 7/23/04

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-2- 225, November 6, 2 p.m. from Baghdad

under Syrian law with 100 per cent Iraq ownership or to take them back and operate as Iraqi branch banks. Iraq will choose latter. Syrians wanted formality of a choice, because they seemed to think this would serve as basis for refusing to return Syrian branches of Arab bank to Jordanian private owners.

According to Paul Parker, Bank of America Middle East representative and close associate of Awadh Barakat, Head Syrian Government Delegation, Prime Minister Qassim ordered Iraqi delegation, Baghdad Chamber Commerce and Iraq Federation Industries to give Syrians economic concessions they wanted. Influenced by delegation Syrian merchants who came along with official delegation, Syrians asked for more than they expected get. Syrians speculate Qassim, by granting their economic requests, has, in fact, reached tacit political understanding with Syrian Government without necessity of holding political discussions at this time. Barakat informed Parker he thought Iraq was prepared offer similar economic concessions to Jordan if Jordan would first make some friendly moves toward Iraq, including reassignment its present Ambassador at Baghdad.

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By PT NARA Date 7/23/04

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FOREIGN SERVICE DESPATCH

UNCLASSIFIED For Department Use Only
UNITED STATES OF AMERICA
683-874/11-961
NR 883.00 87

FROM : Amconsul ALEPPO

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TO : THE DEPARTMENT OF STATE, WASHINGTON.

November 9, 1961

DATE

REF :

9 For Dept. Use Only	ACT ION	NEA-4	IN FO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	TO
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SUBJECT: Syrian-Iraqi Economic Negotiation

SUMMARY:

A member of the Syrian delegation to Baghdad which negotiated the recent Syrian-Iraqi economic agreement praised the role of Prime Minister Qasim in concluding the agreement and states the Syrians are confident of its rapid implementation. The Euphrates Dam project was raised by the Iraqi side but they did not choose to pursue the issue.

* * * * *

The Consulate General has had the opportunity to discuss certain details of the recent Syrian-Iraqi negotiations in Baghdad with a member of the official Syrian delegation, Muhammad Sa'id Za'im, Vice President of the Aleppo Chamber of Commerce. Mr. Za'im gave particular credit for the successful conclusion of the economic agreement to Prime Minister Abd al Karim Qasim and stated that Foreign Minister Hashem Fawad and Minister of Trade Nazim al Zahawi, were also highly cooperative. He stated that during the initial negotiating sessions the Syrians felt that the Iraqi officials involved were rigid and unhelpful. A message to this effect was passed by the two Syrian officers accompanying the delegation, Brigadier General Paysal al Husayni, Assistant Syrian Chief of Staff and Director of Military Operations and Colonel Shurbaji, who contacted certain senior officers of the Iraqi Army. The Iraqi officers in turn contacted the Prime Minister. Qasim's intervention, according to Mr. Za'im, brought a marked improvement in the atmosphere. Qasim's influence on details of the agreement was also seen by the Syrians in the decision that Iraq would issue import permits for Syrian goods immediately and not wait for 1962 quotas to become effective.

Mr. Za'im commented that the private sector in Iraq appeared either unable or unwilling to offer assistance to their Syrian counterparts. He said that the Baghdad Chambers of Commerce and Industry appeared to be "as frightened of the

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By ET NARA Date 7/23/04

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Desp. No. 60
From Aleppo

government as we used to be of President Nasir."

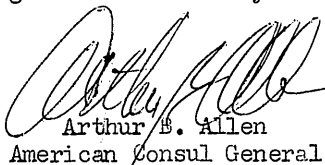
Mr. Za'im was struck by the difference in attitude towards economic development problems between Iraqi officials and those formerly dominant in Syria under the UAR who were influenced by Egyptian thinking. He found the Iraqis generally receptive to the idea of a complementary development of the Syrian and Iraqi economies and not preoccupied with ideas of economic self sufficiency, at any cost, for Iraq. He stated, as proof of this, a joint committee will soon be established to study the industries of both countries to determine mutual productive capacities and to work toward the goal of avoiding competition between Iraqi and Syrian industry.

Regarding the Euphrates Dam project, Mr. Za'im stated that the Iraqi negotiators raised the question of consultation about the Dam in their first meeting with the Syrians. According to Za'im, Minister Barakat was taken by surprise on this issue but immediately replied that he was ready to discuss any aspect of it which might be troubling the Iraqis. The Iraqis however, apparently chose to drop the issue and it was not again raised during the negotiations.

Mr. Za'im stated that while time will be required to measure the extent of benefits which the Syrian-Iraqi agreement will bring he was struck by the evidently sincere desire of the Prime Minister and Minister Jawad for better economic relations between the two countries. He noted in closing that the good intentions of the Iraqis could already be seen both in their announcement that air flights would be resumed between Aleppo, Mosul and Baghdad and in Baghdad's directive to shipping agents in Iskenderoun to forward goods arriving there via Syria and not all the way in transit across Turkey as has been the pattern in the past.

COMMENT:

Mr. Za'im's pleasure over the results of the delegation's negotiations in Baghdad is widely shared by Aleppo's commercial and industrial community. From other comments which the Consulate General has received it is evident that for Syrian business leaders the Iraqi agreement is seen as the first in a series with the Arab states which will have the cumulative affect of strengthening economic and political ties between them. They expect these trade agreements to assist Syria to resist President Nasir's propaganda and what they assume is his policy of isolating Syria from its neighbors.


Arthur B. Allen
American Consul General

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FOREIGN SERVICE DESPATCH

FROM : Amembassy BAGHDAD

TO : THE DEPARTMENT OF STATE, WASHINGTON.

December 23, 1961

REF : CERP: D-13

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SUBJECT: Iraqi-Syrian Economic Cooperation Agreement

There is enclosed an Embassy translation of the Agreement of Economic Cooperation between the Iraqi Republic and the Syrian Arab Republic as published in the official gazette of November 18, 1961.

Four tables and two supplementary letters attached to the Agreement are also included.

For the Ambassador:

Philip H. Gray, Jr.
Third Secretary of Embassy

Enclosure:
Iraqi-Syrian Economic Cooperation
Agreement translated by T. Youhanna
and P. Gray

cc: Basra
Damascus
London

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By PT NARA Date 7/23/04

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Encl. No. 1
Desp. No. 433
From Baghdad

Agreement of Economic Cooperation Between
The Iraqi Republic and The Syrian Arab Republic

The Government of the Republic of Iraq
and
The Government of the Arab Republic of Syria;

In view of their desire to strengthen the national and natural ties between their countries and to emphasize their determination to achieve economic integration, have agreed on the following:

Article I

a. The Syrian Arab Republic will permit the import of agricultural, animal, and industrial products and the natural resources of Iraqi origin that are imported directly into the Syrian Arab Republic, and the Government of the Iraq Republic will permit the export of these products.

b. The Government of the Republic of Iraq will permit the import of agricultural, animal and industrial products and natural resources of Syrian Arab Republic origin directly into the Iraq Republic, and the Syrian Arab Republic will permit the export of these products.

c. Each of the two contracting parties will accord the other preferred treatment with regard to the granting of import and export licenses.

Article II

a. The agricultural, animal and industrial products and the natural resources which originate in either of the contracting parties and are imported by the other party are exempted from customs duties.

b. Exempted from the provisions of the first clause of this article are the following:

1. The materials and commodities inserted in Table No. 1 attached to this agreement are subject to full customs duty.
2. The materials and commodities inserted in Table No. 2 attached to this agreement are subject to a 25 per cent reduction in the customs duty.
3. The materials and commodities inserted in Table No. 3 attached to this agreement are subject to a 50 per cent reduction of the customs duty.

Article III

a. The agricultural, animal and industrial products and the natural resources produced in one of the contracting parties and exported to the second contracting

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From Baghdad

party shall in any case ^{not} be subject to duties exceeding the duties imposed by the importing country on similar local products and on its raw materials, or on either of these two duties in the event there is only one.

b. The agricultural, animal and industrial products and the natural resources produced in one of the two countries and exported to the second, which does not have a similar local product, shall not be subject, in any case, to any internal duties.

Article IV

a. Every commodity which enjoys exemption or customs reduction in accordance with this agreement must be accompanied by a certificate of origin issued by the competent authorities of each state. The industrial products are not considered of Iraqi or Syrian origin unless the Iraqi or Syrian raw materials and the local production costs involved in manufacture are not less than 40 per cent of the total production costs.

b. The commodities and materials inserted in Table No. 4 attached to this agreement are exempted from the 40 per cent mentioned in clause one of this article, provided that the percentage of the Iraqi or Syrian raw materials and the local production costs involved in manufacture are not less than 25 per cent of the total production costs. By the agreement of the contracting parties, the said table may be amended by adding or cancelling some of the items.

Article V

Each of the two contracting parties may re-export the commodities exchanged in accordance with this agreement with the exception of the commodities and materials which one of the contracting parties may request not be re-exported.

Article VI

a. The settlement of current transactions between natural and juristic persons residing in Iraq or the Syrian Arab Republic shall be carried out by any exchangeable currency agreed upon by the two contracting parties or by Iraqi dinars (non-resident account).

b. Each of the contracting parties will permit the transfer of the currencies mentioned in the preceding clause to the second contracting party to cover payments that fall due as a result of current transactions between the two countries in accordance with the provisions of this agreement.

Article VII

a. The terms of the payments agreement concluded between the Republic of Iraq and the U.A.R. on October 11, 1958 shall be considered to remain valid with regard to the Syrian Arab Republic until the date of its expiry.

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b. The Syrian central bank account shall be kept open for six months in the open books of the Iraqi Central Bank in accordance with the payment agreement referred to in paragraph one above in order to liquidate current operations which are covered by the said payments agreement. The remaining balance of the account should be covered by the debtor through the export of goods whose importation is permitted by the second party. If any balance remains after the expiry of the said six months, it should be immediately covered in an exchangeable currency agreed upon by the two parties.

Article VIII

a. Each of the contracting parties shall exempt goods transiting its territory to or from the territory of the second party from fees and transit duties.

b. Present or future duties on the transit of oil by land through pipes are excepted from the provisions of the previous paragraph.

Article IX

a. The competent authorities in the two contracting states shall grant all possible facilities for the utilization of Syrian Arab Republic ports in the transit trade, whether in utilization of warehouses of the free areas or in setting up special installations in these areas for the Iraq Republic and its nationals.

b. The means of transportation of goods of either of the contracting parties shall be granted the necessary facilities to enter the territory of the second party and to cross it in compliance with the regulations observed in each country, provided that they do not undertake any internal operations.

c. An exception to the provisions of regulations observed in the contracting states permits the entry of means of transportation of goods registered in one of these countries into the second country, loaded or unloaded, until they reach their destination, as well as their return, loaded or unloaded. Means of transport are also permitted to cross territories loaded or unloaded and to return from their destination loaded or unloaded to the country in which they are registered. Also, Iraqi transport destined for parts of the Syrian Arab Republic and Lebanon are permitted, loaded or unloaded, to enter the territory of the Syrian Arab Republic territory to load from the above mentioned ports.

d. Goods of foreign origin arriving in Syrian ports and destined for the Iraq Republic, and goods coming to Iraq from Lebanon, and which are unloaded in Syrian territory, should be transported by Iraqi and Syrian trucks according to the following percentages: 50 per cent by trucks registered in the Iraqi Republic and 50 per cent by trucks registered in the Syrian Arab Republic.

An examination of this proportion shall take place every four months, and to achieve this, records shall be kept by each of the customs posts on the Iraqi and Syrian borders.

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Article X

In accordance with a desire to execute this agreement and to ensure the achievement and the expansion of the mutual benefits which are included, the two contracting parties have agreed to set up a joint committee of Iraqi and Syrian experts to meet at least once every six months, or at the request of one of the contracting parties. The committee shall:

- a. Deal with difficulties arising from the implementation of this agreement or those hampering the development of trade exchange between the two countries.
- b. Submit special proposals for the amendment of this agreement in order to expand the trade exchange and to develop economic relations between the two countries.
- c. To reconsider the tables annexed to this agreement. Amendments will be effective upon agreement of the governments of the two contracting parties.
- d. To study industrial coordination in order to achieve economic integration between the two countries.

Article XI

Each of the contracting parties will extend to the other the necessary facilities for holding permanent or temporary exhibitions to demonstrate their products within the limits of the observed laws and regulations.

Article XII

The commercial agreement concluded between Iraq Republic and the U.A.R. on October 11, 1958 shall remain valid with regard to trade-exchange between the contracting parties until the date of expiry of this agreement.

Article XIII

The contracting parties have agreed upon the following:

- a. To facilitate the transfer of capital between the two countries within the framework of the regulations and instructions observed in each of the two countries, and in accordance with arrangements to be agreed upon by the competent monetary authorities in both countries.
- b. Freedom of the movement of people between the two countries by abolishing visas in accordance with the arrangements to be agreed upon by the competent authorities in the two countries.
- c. Freedom of residence, work, employment and the practice of economic activity in accordance with the arrangements to be agreed upon between the governments of the two contracting parties.

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Article XIV

The two governments shall encourage the establishment of joint investment institutions, to exercise their activities in various economic fields, and both countries will hold shares in the capital of these organizations.

Article XV

This agreement shall come into effect as of the date of exchanging its instruments of ratification. It shall be valid for two years and shall automatically be renewed for the same period unless one of the contracting parties informs the second party in writing at least three months before the expiry date of each term of his desire to terminate or amend the agreement.

This agreement is written in Baghdad on November 3, 1961 in two Arabic versions.

For the Iraq Republic

Signed
Madhim al-Zahawi
The Minister of Commerce

For the Syrian Arab Republic

Signed
Dr. Iwadh Barakat
The Minister of Economics and Industry

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Table No. 1

Commodities Subject to Full Tariff

1. Cigarettes and toilet paper
2. Cement paper bags
3. Metal springs
4. Plastic shoes and tubes
5. Metal furniture, excluding those mentioned in Clause 11 of Table No. 2
6. All kinds of alcoholic beverages
7. Salt
8. Sugar

Table No. 2

Commodities Subject to a 25 Per Cent
Reduction of Customs Tariff

1. Textiles of pure or mixed artificial silk threads or fibers including embroidered and decorated textiles with the exception of those mentioned in Clauses 11, 12 and 13 of Table No. 3.
2. All kinds of woollen mats and rugs.
3. Cotton yarn excluding No. 36.
4. Pure cotton textiles and textiles mixed with other materials including braid work, with the exception of those mentioned in Clause 10 of Table No. 3.
5. Felt-waterproof
6. Crocheted textiles of all fabrics (excluding natural silk) including clothes, underwear, socks and gloves.
7. Clothing and sheeting, or their parts, of all kinds of fabric material.
8. Sewn and ready made commodities including blankets, handkerchiefs, towels, women's accoutrements, tents and travel bags.
9. All kinds of leather shoes.
10. All kinds of concrete or reinforced concrete products.
11. Steel and iron products, including furniture, with the exception of those mentioned in Clauses 15, 16 of Table No. 3 and Clause 5 of Table No. 1.
12. Locks, padlocks, nails, metal screens and pins.
13. Refrigerators and washing machines.

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Table No. 3

Commodities Subject to a 50 Per Cent
Customs Tariff Reduction

1. Cigarettes
2. Various kinds of vegetable oils including sesame oil, whether these oils are liquid or dehydrated.
3. Sugar products, chocolate and candies.
4. Varnish, whether mixed or unmixed with coloring materials, paints, and pigments prepared in oil.
5. Ordinary soap made of pure olive oil even though other oil is added to it (Abou Hail soap).
6. Perfumes and all kinds of perfume products and cosmetics.
7. All kinds of tanned hides, whether coated with bronze, gold, silver, coloring paints, or painted with varnish or if they are decorated with designs or relief work, or imitations thereof.
8. Bags and suitcases of all kinds of materials.
9. Books, notebooks and similar paper products.
10. All textiles of pure natural silk or mixed with any other kinds of fabric, including embroidered, crocheted and braided textiles.
11. Laces of natural silk, neckties of artificial or natural silk.
12. Artificial silk cloth of the Jacqar type (sic).
13. Printed, artistic and Jacqar (sic) fabrics made of pure artificial silk threads or mixed, no matter how much a square meter weighs.
14. Cotton embroidery and ribbons, and elastic threads covered with cotton.
15. Metal installations, reservoirs, and tanks for water and fuel.
16. Industrial and agricultural tools and supplies, including weights, scales and metal chains.
17. Electric cables and wires.

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Table No. 4

Commodities Which Are Considered to be
Produced in one of the Contracting Countries

If the percentage of the raw material and local production cost included
in the manufacture are not less than 25 per cent of the total production costs.

1. Toilet paper.
2. Cement paper bags.
3. Crocheted products - readymade clothes and shirts.
4. Lighting equipment (table lamps and others).
5. Electric cables and wires.
6. Refrigerators and washing machines.

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From Baghdad

Supplementary Letter on the Commodities
and Materials of French Origin

Baghdad, November 3, 1961

H.E. Dr. Iwadh Barakat
The Minister of Economics and Industry
of the Syrian Arab Republic

With reference to our negotiations which resulted in signing the Economic Cooperation Agreement between our countries today, I would like to state that this Agreement does not cover the commodities and materials in the production of which materials of French origin are involved.

I shall be grateful if you agree that the above explains accurately the understanding attained by our delegations.

Please accept my highest consideration and esteem.

Nadhim al-Zahawi
The Minister of Commerce
of the Iraq Republic

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By PT NARA Date 7/23/04

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From Baghdad

Reply

H.E. the Minister of Commerce
of the Iraq Republic

I have the honor to acknowledge the receipt of your letter of today
which reads:

"With reference to the negotiations which resulted in signing the
Economic Cooperation Agreement between our countries today, I would
like to state that the provisions of Article 4 of this Agreement do not
cover commodities and materials in the production of which materials of
French origin are involved."

I agree that the above statement explains accurately the understanding
attained by our delegations.

Please accept my highest consideration and esteem.

Dr. Iwadh Barakat
The Minister of Economics and Industry
of the Syrian Arab Republic

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FOREIGN SERVICE DESPATCH

FROM : Amembassy DAMASCUS

TO : **THE DEPARTMENT OF STATE, WASHINGTON** 83.00

REF : Item III, Embassy Despatch I26, December 5, 1961

DEC 29 1961
December 27, 1961

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XR 683.8604

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SUBJECT: Syrian-Iraqi and Syrian-Saudi Arabian Economic Agreements

Begin UNCLASSIFIED:

Enclosed are the full texts (in French) and the English translations (excepting annexes) of the economic cooperation agreements concluded by the Syrian Arab Republic (SAR) respectively with Iraq on November 3, 1961, and with Saudi Arabia on November 16, 1961. The provisions of the two agreements are similar in many respects, calling for preferential customs treatment in the exchange of livestock, agricultural and industrial products, and natural resources; total customs exemption or reduction in duties on a considerable number of products listed in the annexes to the agreements; freedom of capital movements between the respective countries and also of the travel of ~~both~~ individuals; free and unrestricted residence and employment of each other's nationals; encouragement of the formation of joint industrial ventures; and liberalization of transit and transportation fees. While the Syrian - Iraqi agreement is renewable by mutual consent every two years, the agreement with Saudi Arabia is subject to renewal on a year to year basis.

The Syrian delegations to Baghdad and Riyadh were headed by Dr. 'Awad BARAKAT, Minister of Economy and Industry in the interim post-Revolution government who has since been elected a member of the Chamber of Deputies. The visit of the Syrian delegation, originally scheduled to proceed to Amman in late November to conclude a similar economic agreement with Jordan, was postponed until after the formation of the new SAR Government.

Enclosure No. 5 is a translation of the messages exchanged between the Heads of the Syrian and Saudi Delegations concerning the repayment of the loan to the Syrian Arab Republic by Saudi Arabia. End UNCLASSIFIED

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Desp. No. 150
From Damascus

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COMMENT: One of the most astonishing aspects of the conclusion of these economic agreements by the Syrian Arab Republic with Iraq and Saudi Arabia was the rapidity with which they were executed following the September 28 Revolution. Both accords were hailed by the signatories as a substantial step towards the consolidation of nationalist and natural relations between SAR and her sister Arab countries. It was pointed out, and not without considerable pride on the part of the Syrians, that these agreements concluded in such a short time had accomplished more than numerous meetings in the Arab League on the same subject. It remains to be seen whether the actual implementation of the agreements will match the speed with which they were concluded. If so, Syria can be credited with the accomplishment of this substantial step towards the ending of the artificial economic isolation which resulted from union with Egypt and towards the restoration of the Syrian economy to its previous key position in the Arab world that its geographical location favors.

However, while the Syrian business circles and the press acclaimed these agreements with expressions of high praise and thanks to the government for its initiative, there remain politico-economic repercussions vis-à-vis other Arab states that can not be ignored. In particular, (1) Egypt's probable reluctance to participate in an economic alliance dominated by those countries of the "Fertile Crescent" with which its present relations are somewhat less than "sisterly" and (2) Lebanon's apprehensions that any marked developments with respect to SAR port and transit facilities will compete with Lebanese interests and activities in these fields. Despite the expressed desire by officials in several Arab countries for a "common market" or some form of economic union that might precede any hoped for eventual Arab political union, it is doubtful that the complete realization of such a project will be accomplished, if ever, with any fewer pains or in less time than its European counterpart.

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For the Chargé d'Affaires a.i.:


Leslie D. Polk
Second Secretary

Enclosures:

1. Text of Syrian-Iraqi Economic Agreement (French) - To Dept. only
2. Text of Syrian-Iraqi Economic Agreement (English)
3. Text of Syrian-Saudi Arabian Economic Agreement (French) - To Dept. only
4. Text of Syrian-Saudi Arabian Economic Agreement (English)
5. Translation of Messages Exchanged concerning Syrian Repayment of Saudi Loan

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Encl. No. 2
Desp. No. 150
From Damascus

TEXT OF ECONOMIC COOPERATION AGREEMENT

BETWEEN

THE SYRIAN ARAB REPUBLIC AND THE REPUBLIC OF IRAQ

The Government of the Republic of Iraq and the Government of the Syrian Arab Republic, desirous of strengthening the national and natural bonds between the two countries, and to emphasize their determination to strengthen the economic cooperation between them, have agreed on the following:

Article 1

1) The Government of the Syrian Arab Republic shall permit the import of agricultural, animal, industrial products as well as natural resources of Iraqi origin, imported directly into the Syrian Arab Republic, and the Government of the Iraqi Republic shall permit the export of these products.

2) The Government of the Republic of Iraq shall permit the export of agricultural, animal, and industrial products as well as natural resources of Iraqi origin imported directly into the Republic of Iraq and the Government of the Syrian Arab Republic shall permit the export of these products.

Article 2

1) The agricultural, animal and industrial products and animal resources of the origin of one of the contracting parties shall be exempt from customs duties when imported by the other country.

2) Exceptions are made from the provisions of Para one of this Article:

(a) The commodities cited in Table 2 annexed to this Agreement shall be subject to full customs duties.

(b) The commodities cited in Table 2 annexed to this Agreement shall be subject to reduced customs duties by 25 percent.

(c) The commodities cited in Table 3 annexed to this Agreement shall be subject to reduced customs duties by 50 percent.

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Article 3

1) Under no circumstances shall the agricultural, animal and industrial products and natural resources produced in one of the contracting parties and exported to the other be subject to duties in excess of duties imposed on local similar products or imposed on raw materials composing these products, or to duties imposed on one of the two categories separately.

2) Under no circumstances shall the agricultural, animal and industrial products and natural resources produced in one of the contracting parties and exported to the other country which does not possess similar products made locally be subject to internal taxes.

Article 4

1) The commodities enjoying total customs exemption or reduction in duties in accordance with the provisions of this Agreement shall be accompanied by a certificate of origin issued by the competent authorities of each of the contracting countries.

Industrial products shall be considered of Iraqi or Syrian origin only when the Iraqi or Syrian raw materials and cost of production involved is not less than 40 percent of the total cost.

2) The products cited in Table 1 annexed to this Agreement shall be exempt from 40 percent proportion provided the Iraqi and Syrian raw materials and the cost of production involved is not less than 25 percent of the total cost of production. An addition or deletion may be made to this table by an agreement between the two parties.

Article 5

Any of the contracting parties shall be permitted to re-export the products imported in accordance with the provisions of this Agreement with the exception of commodities which either party may object to re-exportation.

Article 6

1) Commercial transactions between the residents of the Syrian and Iraqi Republics shall be settled in any transferrable currency agreeable to both parties or in Iraqi dinar, "non-resident account."

2) Either of the contracting parties shall be permitted to transfer to the country of the other party the currency cited in the previous paragraph for settlement of payments resulting from "current account" between the two countries in accordance with the provisions of this Agreement.

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Article 7

1) The provisions of the Payment Agreement held between the Republic of Iraq and the Syrian Arab Republic on October 11, 1958, with respect to the latter shall be considered valid until the date of the execution of this Agreement.

2) The accounts of the Syrian Central Bank opened in the books of the Iraqi Central Bank by virtue of the aforementioned agreement shall be maintained for a period of six months to enable the settlement of the current accounts involved in the aforementioned Payments Agreement.

The balance resulting in the accounts shall be settled by the debtor party through export of products of which the other country will permit importation. If, however, further account balance remains after the lapse of six months, it shall be settled by a transferrable currency to be agreed upon by the two parties.

Article 8

1) The commodities transported in transit through one of the two contracting parties for the account of the other party shall be exempt from transit fees.

2) The royalties determined or that may be determined for the transit of oil through the pipelines shall be exempt from the provisions of the preceding paragraph.

Article 9

1) The competent authorities in both countries shall accord all possible facilities to benefit from the harbors of the Syrian Arab Republic in transit trade, whether through the usage of warehouses in the free zone or building of special installations for the Republic of Iraq or for its nationals in these areas.

2) The means of transportation of goods pertaining to any of the contracting parties shall be given the necessary facilities to enter or transit the territory of the other party within the limit of regulations in force provided they undertake no internal transportation operations.

3) With the exception of the regulations in force in both contracting parties, the means of transportation of goods registered in any one country shall be permitted to enter the territory of the other party, loaded or unloaded, to reach their destination and return therefrom loaded or unloaded. They shall also be permitted to transit the territory, unloaded or loaded, and return from the country of destination, loaded or unloaded. Iraqi vehicles

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travelling to any part of the Syrian Arab Republic or to Lebanon shall be permitted to enter loaded or unloaded into the Syrian territory to receive cargos from the ports mentioned before.

4) The goods of foreign origin received at the Syrian port and destined for the Republic of Iraq and the goods received from Lebanon and unloaded in the Syrian territory shall be transported by Iraqi or Syrian trucks in the following proportion:

50 percent by trucks registered in the Republic of ~~Syria~~ ^{Iraq.}
50 percent by trucks registered in the Syrian Arab Republic.

The application of this proportion shall be checked every four months, and special records shall be kept at customs outposts along the Syro-Iraqi borders.

Article 10

Desirous of proper application of this Agreement and in order to realize and expand the mutual benefits involved therein, the two contracting have agreed to form a joint Iraqi-Syrian Experts Committee to meet at least once every six months, or at the request of either of the contracting parties. Its task shall be:

1) To settle the difficulties arising from the application of this Agreement and that may hamper the development of trade exchange between the two countries.

2) To present special recommendations for the amendment of this Agreement with a view to expanding trade and the development of economic relations between the two countries.

3) To review the tables annexed to this Agreement. Any amendments thereto shall be notified by both contracting parties.

4) To study the question of industrial planning in order to achieve economic coordination between the two countries.

Article 11

Each contracting party shall present the necessary facilities to the other party for the establishment of permanent or temporary fairs for the purpose of exhibiting their products within framework of the laws and regulations in force in each country.

Article 12

The provisions of the Trade Agreement between the Republic of Iraq and the Syrian Arab Republic concluded on October 11, 1958 shall remain in force with respect to commercial relations between the two contracting parties until the date that this Agreement

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becomes operative.

Article 13

The two contracting parties have agreed on the following:

- 1) Facilitation of transfer of capital between the two countries within the framework of regulations and instructions in force in each of them and in accordance with arrangements which will be laid down by agreement of the competent monetary authorities in both countries.
- 2) Freedom of travel of nationals of both countries by cancelling visas and that according to arrangements to be agreed upon by the competent authorities of both countries.
- 3) Freedom of residence, employment and practices of economic activity in accordance with arrangement agreed upon by the two contracting parties.

Article 14

The two Governments shall encourage the formation of establishments joint capital which will work in various economic fields of mutual benefit to both countries.

Article 15

This Agreement shall come into force from the date of exchange of documents of ratification, and shall be valid for two years, renewable automatically unless either party informs the other in writing of its desire to terminate or amend it. Such a notice shall be given at least three months before the expiration date of the Agreement.

Signed in Baghdad, on November 3, 1961 in two original copies in Arabic.

For the Syrian Arab Republic
Awad Barakat, the Minister
of Economy and Industry.

For the Government of
Iraqi Republic Nazim Zakhawi,
Minister of Trade.

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Syrian-Saudi Arabian Economic Agreement

The Government of the Syrian Arab Republic and the Kingdom of Saudi Arabia, desiring to strengthen the national and natural bonds between their countries and to emphasize their determination to strengthen the economic cooperation between them, have agreed on the following:

Article 1 - Each of the two agreeing sides will do its utmost to increase the economic cooperation between the two countries to the maximum extent in accordance with the provisions of this agreement and the laws of both countries.

Article 2 - A. The Government of the Syrian Arab Republic shall permit the import of agricultural, animal, and industrial products and natural wealth originating in Saudi Arabia and imported directly by the Syrian Arab Republic. The Saudi Arabian Government shall permit the export of these products within the limits of its economic capabilities.

B. The Saudi Arabian Government shall permit the import of agricultural, animal, and industrial products and natural wealth originating in the Syrian Arab Republic and imported directly by Saudi Arabia. The Syrian Arab Republic shall permit the export of these products within the limits of its economic capabilities.

Article 3 - A. Agricultural and animal products produced by either of the two agreeing countries and imported directly by the other country shall be exempted from customs duties and import and export licenses.

B. The Saudi Arabian Government shall exempt from customs duties and import licenses the industrial products manufactured in the Syrian Arab Republic and imported directly by Saudi Arabia. These products are listed on list number one attached to this agreement.

C. The Saudi Arabian Government shall exempt Syrian industrial goods listed on list number two attached to this agreement from import licenses and from two-thirds of the customs duties.

D. The Government of the Syrian Arab Republic shall exempt from import licenses and customs duties all Saudi Arabian industrial products imported directly by the Syrian Republic.

E. Upon the agreement of both governments, lists number one and two attached to this agreement may be amended.

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Article 4 - All goods exempted from customs duties in accordance with this agreement should have a certificate of origin issued by the government authorities in each country. Goods may not be considered of Syrian or Saudi origin unless the raw material used is either Syrian or Saudi and the cost of local production is not less than 40 percent of the total value of the goods.

Article 5 - Each of the two agreeing sides shall extend most-favored-nation status to the other, especially as regards matters of import and export, transit and customs, and currency control.

Article 6 - Each of the two agreeing sides shall exempt the goods, means of transport, and drivers entering each other's territory from transit fees and any (other fees?) connected with transit.

Article 7 - Most-favored-nation treatment provided for in this agreement does not apply to:

A. The privileges granted or which might be granted by either of the two agreeing sides to facilitate trade in grains;

B. The benefits which might result from a customs agreement which either of the two agreeing sides might conclude.

Article 8 - A. Payments for all transactions between the two agreeing governments, individuals, and officials residing in either the Syrian Arab Republic or Saudi Arabia will be made in American dollars, sterling, or any other convertible currency on which the two agreeing sides shall agree.

B. Each of the two agreeing sides shall permit the transfer of these currencies to the other country for payment of goods traded between both countries in accordance with the provisions of this agreement.

Article 9 - Desiring to implement this agreement and guarantee the expansion of the mutual benefits embodied in this agreement, the two sides have agreed to form a joint Saudi-Syrian experts committee which will meet at least once every six months or at the request of one of the two agreeing sides. The duties of this committee will be:

A. To deal with difficulties which might arise in implementation of this agreement and which might hamper the development of trade between the two countries.

B. To submit proposals for amending this agreement with the intention of expanding trade and developing economic relations between the two countries.

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C. To study the question of industrial coordination for the realization of economic cooperation between the two countries.

Article 10 - Each of the two agreeing sides shall extend to the other side the necessary facilities to hold fairs with the intention of displaying its products, within the rules and regulations in practice.

Article 11 - The two agreeing sides have agreed on the following:

A. Freedom of movement of capital between the two countries, including the income from immovable properties belong to subjects of either of the two countries in the other country, in accordance with article 8 of this agreement. Transfer of such capital should be arranged between the Syrian Central Bank and the Saudi Currency Board.

B. Facilitation of the movement of persons between the two countries in accordance with the rules and regulations observed in either of the two countries.

C. Extension by each side to the subjects of the other side the necessary facilities to carry out economic practices in accordance with arrangements which the two agreeing governments will work out and which will not contradict the rules and regulations observed in the other country.

Article 12 - The two governments shall encourage the formation of establishments with joint capital which will work in various economic fields of mutual benefit to both countries. Both countries shall participate in the capital of such establishments in accordance with the rules and regulations observed in each of the two countries.

Article 13 - This agreement shall come into force from the date of the exchange of documents of ratification, which should be completed within one month from the date this agreement is signed. The validity of this agreement will end one year from the date of its application. It may be renewed on a yearly basis at the volition of the two agreeing sides.

From the date of its implementation this agreement will replace the trade agreement concluded 30 January 1961 between the UAR Government--Northern Region--and the Saudi Arabian Government.

This agreement was signed on 8/6/1381, corresponding to 16 November 1961, in two original copies, both written in Arabic.

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From Damascus

Messages Exchanged Between the Heads of the
Syrian and Saudi Delegations Concerning
Repayment of Loan to the Syrian Arab Republic
by Saudi Arabia

His Highness the Head of the Saudi Delegation: Greetings.

With reference to the loan amounting to 16 million American dollars, the Government of the Syrian Arab Republic wishes to defer repayment of the first installment due in 1961. The Government of the Syrian Arab Republic will repay this loan in 10 annual installments beginning in 1963, under the loan agreement signed 23 Rabi al-Awal 1375 hegira, corresponding to 9 November 1955, and without reference to the trade agreement mentioned in article five of that agreement. Please accept my sincere respects.

Dated 8/6/1381 hegira, corresponding to 16 November 1961.
(Signed) Headed of the Syrian delegation, Economy and Industry
Minister Dr. Awad Barakat.

His Excellency the Head of the Syrian Delegation: Greetings.

I have received your letter dated 8/6/1381 hegira, corresponding to 16 November 1961, which reads as follows: (passage repeating contents of Syrian letter omitted--Ed). I wish to inform you that the Government of the Saudi Arabian Kingdom agrees to the contents of your letter. Please accept my sincere respects.

Dated 8/6/1381 hegira, corresponding 16 November 1961.
(Signed) Saudi Minister of Finance and National Economy, Nawwaf
Ibn Abd al-Aziz.

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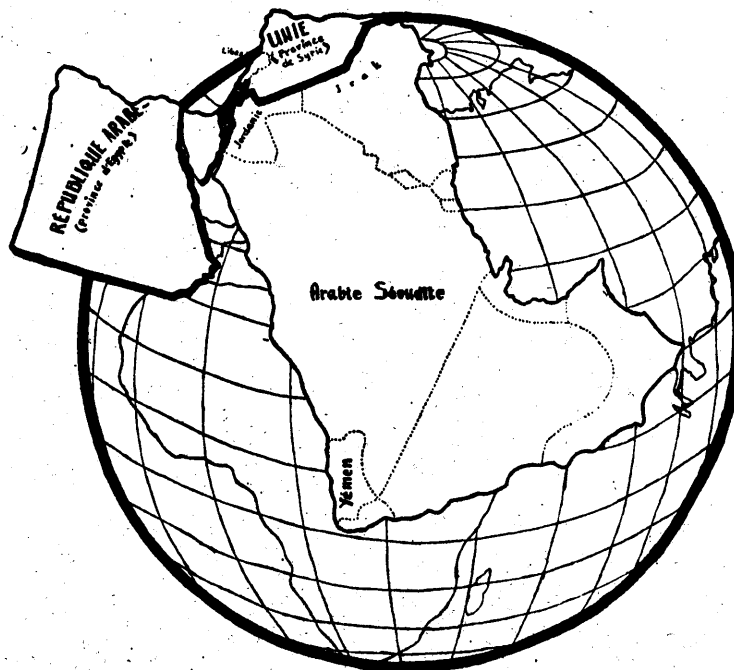
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By ET NARA Date 7/23/04

Enclosure #1 to
~~ESP~~
Despatch 150
December 27, 1961
American Embassy
Damascus
NEA

BUREAU DES DOCUMENTATIONS ARABES

Siège Central : DAMAS
Rue Fauzi Ghazzi (Abouroumané)
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By ✓ NARA Date 10/1/01

ACCORD DE COLLABORATION ECONOMIQUE

entre

LA REPUBLIQUE IRAKIENNE et LA REPUBLIQUE
ARABE SYRIENNE

Le Gouvernement de la République Irakienne
et le Gouvernement de la République Arabe Syrienne

Désireux de raffermir les relations nationales et naturelles entre leurs
deux pays et confirmer leur résolution à réaliser l'intégration économi-
que entre eux

ONT CONVENU CE QUI SUIIT :

- Article 1er.- 1.- Le Gouvernement de la République Arabe Syrienne autorisera l'importation des produits agricoles, animaliers et industriels et les richesses naturelles d'origine irakienne, importés directement à la République Arabe Syrienne et le Gouvernement de la République Irakienne autorisera l'exportation de ces produits.
- 2.- Le Gouvernement de la République Irakienne autorisera l'importation des produits agricoles, industriels et du règne animal ainsi que les richesses naturelles originaires de la République Arabe Syrienne et importés directement à la République Irakienne et le Gouvernement de la République Arabe Syrienne autorisera l'exportation de ces produits.
- 3.- Chacune des deux Parties Contractantes traitera l'autre d'un traitement préférentiel quant à l'octroi des licences d'importation et d'exportation.
- Article 2.- 1.- Seront exonérés des droits de douane les produits agricoles, industriels et du règne animal ainsi que les richesses naturelles originaires de l'une des deux Parties Contractantes qui seront importés par l'autre Partie.
- 2.- Par dérogation aux dispositions du paragraphe 1er du présent article:
- A)- Les produits et marchandises figurant au Table N° 1 annexé au présent accord seront soumis au paiement des taxes douanières de douanes;
- B)- Les produits et marchandises figurant au Tableau N°2 annexé au présent Accord seront soumis au paiement de taxes douanières réduites de 25 %.
- C)- Les produits et marchandises du Tableau N°3 en annexe sont assujettis à des taxes douanières réduites de 50 %.
- Article 3.- 1.- En aucun cas, les produits agricoles, industriels et du règne animal et les richesses naturelles, produits dans l'un des deux pays et exportés à destination du pays de l'autre Partie ne seront soumis à des taxes supérieures à celles imposées dans le pays importateur sur les produits locaux similaires et sur ses matières premières ou à l'une de ces deux taxes séparément.
- 2.- Ne seront assujettis, en aucun cas, à aucune taxe intérieure, les produits agricoles, animaliers, industriels et les richesses naturelles produits dans l'un des deux pays et exportés à destination du pays de l'autre Partie, et qui n'auront pas de production locale similaire.

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Article 4.- 1.- Toute marchandise bénéficiant de l'exemption ou de la réduction douanière en vertu du présent Accord, doit être accompagnée d'un certificat d'origine émanant des autorités compétentes de chacun des deux pays. Les produits industriels d'origine irakienne ou syrienne ne seront considérés comme tels que si les matières premières irakiennes ou syriennes et les frais de la production locale entrant dans la fabrication ne sont pas inférieures à 40 % du coût total de la production.

2.- Sont exceptés de la proportion de 40 % mentionnée au § 1) du présent article les marchandises et produits mentionnés au Tableau N°4 annexé au présent Accord, à condition que la proportion de la matière première irakienne ou syrienne et le coût de revient de la production locale entrant dans leur fabrication ne soit pas inférieure à 25 % du coût total de la production. Le Tableau en question peut être modifié par l'adjonction ou la suppression de quelques produits, sur entente à intervenir entre les Gouvernements des deux Parties Contractantes.

Article 5.- Chacune des deux Parties Contractantes peut réexporter les marchandises échangées en vertu du présent Accord, à l'exception des marchandises et des produits que l'une des deux Parties Contractantes demande à ce qu'ils ne soient pas réexportés.

Article 6.- 1.- Le règlement des transactions courantes entre les personnes physiques ou morales résidant dans la République Irakienne et la République Arabe Syrienne a lieu en n'importe quelle monnaie convertible convenue entre les deux Parties Contractantes ou en Dinar Irakien (Compte non résident).

2.- Chacune des deux Parties Contractantes autorisera le transfert des monnaies mentionnées au paragraphe précédent, au pays de l'autre partie contractante, en règlement des paiements dus, comme suite des "transactions courantes" entre les deux pays, conformément aux dispositions du présent Accord.

Article 7.- 1.- Les dispositions de l'Accord de Paiement conclu en date du 11 Octobre 1958 entre la République Irakienne et la République Arabe Unie, resteront en vigueur, en ce qui a trait à la République Arabe Syrienne, jusqu'à la date d'expiration de cet Accord.

2.- Le Compte de la Banque Centrale de Syrie ouvert auprès de la Banque Centrale Irakienne en vertu de l'Accord de Paiement mentionné au paragraphe 1er restera ouvert pendant une durée de six mois pour régulariser les transactions courantes comprises par l'Accord précité. Le solde en sera réglé par le côté débiteur, par voie d'exportation de marchandises dont l'autre partie autorisera l'importation. Si un ~~solde~~ restait à l'expiration des six mois sus-mentionnés, il sera réglé immédiatement par une monnaie susceptible de conversion convenue entre les deux Parties.

Article 8.- 1.- Chacune des deux Parties Contractantes exemptera les marchandises transitant en son territoire des taxes et redevances de transit.

2.- Sont exceptées des dispositions du paragraphe précédent les redevances fixées ou qui seront fixées sur le passage du pétrole en pipe-lines terrestres.

Article 9.- 1.- Les autorités compétentes des deux pays accorderont toutes les facilités possibles pour l'utilisation des ports de la République Arabe Syrienne, dans le commerce du transit, soit en employant les magasins des zones franches ou en construisant des installations appartenant à la République Irakienne et à ses ressortissants dans ces zones.

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- 2.-Les facilités nécessaires seront accordées aux moyens de transport des marchandises de l'une des parties contractantes pour entrer dans les territoires de l'autre partie et les traverser, dans les limites des règlements en vigueur dans chacun d'eux, à condition qu'ils ne se livrent pas aux opérations de transport intérieur.
- 3.-Exceptionnellement aux dispositions des règlements en vigueur dans les pays des deux parties contractantes, il sera permis aux moyens de transport des marchandises immatriculés dans le pays de l'une d'elles d'entrer dans le pays de l'autre partie chargés ou vides, d'arriver à leur destination et d'en retourner chargés ou vides; comme aussi ils seront autorisés à traverser le territoire chargés ou vides et revenir de leur lieu de destination au pays où ils sont immatriculés, chargés ou vides. Il sera également permis aux moyens de transport irakiens se dirigeant vers les régions de la République Arabe Syrienne et le Liban de pénétrer chargés ou vides en territoires de la République Arabe Syrienne pour prendre leurs chargements des ports précités.
- 4.-Les marchandises d'origine étrangère parvenant aux ports syriens à destination de la République Irakienne et les marchandises qui y parviennent du Liban et dont la cargaison est déchargée en territoires syriens, seront transportées dans des camions irakiens et syriens dans la proportion suivante:

50 % par les camions immatriculés dans la République Irakienne;
50 % par les camions immatriculés dans la République Arabe Syrienne.

L'application ou confrontation de ces proportions a lieu tous les quatre mois. A cet effet, des enregistrements seront tenus auprès de chacun des postes frontaliers de douanes irakiens et syriens.

Article 10.- Dans le désir de la bonne exécution du présent Accord, pour assurer la réalisation et le développement des avantages réciproques qu'il renferme, les deux Parties Contractantes ont convenu de former une commission mixte d'experts irakiens et syriens qui se réunira une fois au moins tous les six mois, ou à la demande de l'une des deux Parties Contractantes et dont la mission sera de:

- 1.-traiter les difficultés qui pourraient survenir dans l'application du présent Accord ou qui entraveraient l'évolution des échanges commerciaux entre les deux pays;
- 2.-présenter les suggestions pour l'amendement du présent Accord dans le but d'étendre les échanges commerciaux et de développer les relations économiques entre les deux pays.
- 3.-réviser les tableaux annexés au présent Accord dont les modifications deviennent exécutoires sur entente des gouvernements des deux Parties Contractantes;
- 4.-étudier la coordination industrielle pour assurer le perfectionnement économique entre les deux pays.

Article 11.- Chacune des deux Parties Contractantes fournira à l'autre les facilités nécessaires pour l'organisation de foires permanentes et provisoires afin d'y exposer ses produits, dans le cadre des lois et des règlements en vigueur.

Article 12.- Les dispositions de l'Accord Commercial conclu en date du 11.10.1958 entre le Gouvernement de la République Irakienne et le Gouvernement de la République Arabe Unie demeurent en vigueur par rapport aux échanges commerciaux entre les deux Parties Contractantes jusqu'à l'expiration de la validité de cet Accord.

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Article 13. - Les deux Parties Contractantes ont convenu de ce qui suit:

1. - Faciliter le déplacement des capitaux entre les deux pays, dans les limites des règlements et instructions en vigueur dans chacun des deux pays et conformément aux dispositions à convenir entre les autorités monétaires compétentes des deux pays.
2. - Liberté de déplacement des personnes entre les deux pays en supprimant les visas, et ce suivant les mesures qui seront prises d'accord entre les autorités compétentes des deux pays.
3. - Liberté de séjour, de travail, d'emploi, et d'exercice d'activités économiques, et ce suivant les mesures prises de commun accord entre les gouvernements des deux Parties Contractantes.

Article 14. - Les deux Gouvernements encourageront la création d'entreprises d'exploitation communes exerçant leurs activités dans les divers domaines économiques et au capital desquelles participeront les deux pays.

Article 15. - Le présent Accord entre en vigueur à dater de l'échange des instruments de sa ratification. Il sera valable pour une durée de deux années renouvelable par tacite reconduction pour une égale durée, à moins que l'une des deux parties ne le dénonce par écrit en manifestant son désir d'y mettre fin ou de l'amender, trois mois au moins avant l'expiration de son terme.

Le présent Accord a été établi à Bagdad en Novembre 1961 ~~sur~~ deux copies originales libellées toutes deux en langue arabe.

Pour le Gouvernement de la
République Irakienne

Nazem Zahawi
Ministre du Commerce

Pour le Gouvernement de la
République Arabe Syrienne

Le Dr. Awad Barakat
Ministre de l'Economie et de
l'Industrie

BUREAU DES DOCUMENTATIONS SYRIENNES & ARABES
Damas - Syrie

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TABLERAU N° 1

LES MARCHANDISES SOUMISES AU TARIF ENTIER

- 1.- Papier à cigarettes et papier hygiénique
- 2.- Sacs de papier destinés à l'emballage du ciment
- 3.- Ressorts métalliques
- 4.- Tubes et chaussures en plastique
- 5.- Mobilier métallique à l'exception de ce qui est mentionné au § 1 du tableau N°2
- 6.- Boissons alcooliques de toutes espèces
- 7.- Sel
- 8.- Sucre

TABLERAU N° 2

MARCHANDISES SOUMISES A UN TARIF
DOUANIER REDUIT DE 25 %

- 1.- Tissus en fibres ou fils de soie artificielle pure ou mélangés, y compris les tissus brodés et ornés, excepté ce qui est mentionné aux § 11, 12 et 13 du tableau N° 3
- 2.- Kilims et tapis en laine de toutes espèces
- 3.- Fils de coton excepté le N°36
- 4.- Tissus en coton pur ou mélangé de toutes autres espèces, y compris les travaux de la passementerie, excepté ce qui est mentionné au § 10 du tableau N°3
- 5.- Foutro (empêchant l'humidité)
- 6.- Tissus de bonneterie de toutes matières textiles (à l'exception de la soie naturelle), y compris les vêtements extérieurs, les sous-vêtements, les bas et chaussettes et les gants
- 7.- Vêtements et lingerie et leurs parties, en toutes matières textiles
- 8.- Les articles confectionnés et préparés, y compris les mouchoirs, les éponges, essuie-mains, corsets, les tentes, les sacs de voyage
- 9.- Chaussures de toutes natures en cuir
- 10.- Les fabrications en ciment ou en ciment armé de toute nature
- 11.- Ouvrages en fer et en acier, y compris le mobilier, à l'exception de ce qui est mentionné aux § 15 et 16 du Tableau N°3 et au § 5 du Tableau N°1
- 12.- Serrures, cadenas, clous, tissus et stores métalliques, vis, épingles
- 13.- Frigidaires et lessiveuses mécaniques

TABLERAU N° 3

MARCHANDISES SOUMISES A UN TARIF DOUANIER REDUIT DE 50 %

- 1.- Cigarettes
- 2.- Huiles végétales de toutes sortes, y compris l'huile de sésame (liquides ou hydrogénés)
- 3.- Sucreries et chocolats
- 4.- Vernis mélangé ou non de matières colorantes, peintures et couleurs préparées à l'huile
- 5.- Savon ordinaire fabriqué avec l'huile d'olives pure, même mélangée d'huile de laurier (Savon Aboul Heil)
- 6.- Parfums, articles de parfumerie et matières de beauté
- 7.- Peaux tannées de toutes sortes, enduites de bronze, d'or, argentées, colorées, tannées, préparées, au vernis, avec dessins ou ornements en relief et similaires
- 8.- Valises et valises de voyage de n'importe quelle matière
- 9.- Cahiers, livrets et tous articles similaires en papier
- 10.- Toutes sortes de tissus en soie naturelle pure ou mélangée d'autres matières textiles de toutes sortes, y compris les broderies, passementeries et bonneterie
- 11.- Dentelles en soie artificielle, écharpes ou cravates en soie artificielle ou naturelle
- 12.- Etoffe en soie artificielle genre Jacquard.

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- 13.-Tissus en fils de soie artificielle pure ou mélangée, imprimés, façonnés ou jacquard quel qu'en soit le poids au m2
- 14.-Broderies, rubans en coton et filés de caoutchouc recouverts en coton
- 15.-Installations métalliques, réservoirs et dépôts de combustibles et d'eau
- 16.-Machines et équipements industriels et agricoles, y compris les balances, les bascules, les chaînes métalliques
- 17.-Fils et câbles électriques.

TABLEAU N° 4

MARCHANDISES CONSIDEREES COMME PRODUITES PAR L'UN des pays des Parties Contractantes, si la proportion de matières premières et les frais de la production locale entrant dans leur fabrication ne sont pas inférieurs à 25 % du coût total de la production

- 1.- Papier hygiénique
- 2.- Sacs en papier pour l'ensachage du ciment
- 3.- Ouvrages en bonneterie (Habits et vêtements préparés)
- 4.- Appareils d'éclairage (lustres et autres)
- 5.- Fils et câbles électriques
- 6.- Frigidaire et lessiveuses mécaniques.

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LETTRE - ANNEXE

Bagdad en Novembre 1961

Monsieur le Docteur Awad Barakat, Ministre
de l'Economie et de l'Industrie, de la
République Arabe Syrienne

En référence aux négociations ayant abouti à la signature de l'Accord
de Collaboration Economique entre nos deux pays, en date de ce jour, je
voudrais préciser que les dispositions de l'article 4 du présent Accord
ne comprend pas les marchandises dont les matières entrant dans leur
fabrication comportent des matières d'origine française.

Je vous serais obligé de confirmer ce qui précède d'une manière saine
indiquant la compréhension à laquelle sont arrivées nos deux délégations.
Veuillez agréer l'expression de ma haute considération et de mon respect.

3. 11. 1961

NAZEM ZAHAWI

Ministre du Commerce de la
République Irakienne

REPONSE A LA LETTRE-ANNEXE

Bagdad en Novembre 1961

Monsieur Nazem Zahawi, Ministre du
Commerce de la République Irakienne

J'ai l'honneur vous accuser réception de votre lettre en date de
ce jour, ainsi conçue:

"En référence aux négociations ayant abouti à la signature en date
de ce jour, de l'Accord de Collaboration Economique entre nos deux pays,
je voudrais préciser que les dispositions de l'article 4 du présent Accord
ne comprennent pas les marchandises et les produits dans la fabrication
desquels entrent des matières d'origine française"

Je confirme que ce qui est dit ci-dessus indique clairement la
compréhension à laquelle sont parvenues nos deux délégations.

Veuillez agréer, l'expression de ma haute considération et de
mon respect.

3. 11. 1961

Dr. Awad Barakat, Ministre de
l'Economie et de l'Industrie
de la République Arabe Syrienne

BUREAU DES DOCUMENTATIONS SYRIENNES & ARABES
Damas - Syrie

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PUBLICATIONS PÉRIODIQUES

BULLETIN DE LA PRESSE ARABE : publication bi-hebdomadaire comprenant la substance des informations et des commentaires de presse répartis en huit rubriques différentes
— paraissant depuis 1948

LE MONDE ARABE EN FIN DE CHAQUE SEMAINE : un aperçu d'ensemble et un commentaire politique sur les événements politiques dans le Monde Arabe, accompagnés de textes chronologiques hebdomadaires et de textes documentaires en rapport avec les événements en cours dans le Monde Arabe

دراسات شهرية في : الشؤون الاقتصادية والمالية والاجتماعية في الجمهورية العربية المتحدة والبلدان العربية :
وتتضمن دراسات تحليلية واخبار الاقتصاد العربي والعالمي ووثائق
احصائية عن اقتصاد الجمهورية العربية المتحدة والبلدان العربية -
تصدر منذ عام ١٩٥٩ .

ETUDE MENSUELLE SUR L'ECONOMIE ET LE MARCHÉ SYRIENS : commentaires et statistiques de l'ensemble de l'Economie syrienne — Paraissant depuis 1950.

ETUDE MENSUELLE SUR LA VIE ECONOMIQUE ET FINANCIERE DE LA R. A. U. ET DES PAYS ARABES : Publication mensuelle comprenant des études analytiques et de multiples documentations et statistiques sur l'Economie et les Finances de la République Arabe Unie et les Pays Arabes.

REPERTOIRE PERMANENT DES LÉGISLATIONS & RÈGLEMENTS SYRIENS : publication de langue arabe ou française indiquant, depuis 1943, tous les règlements et législations qui sont parus, avec service mensuel de mises à jour.

SERVICE D'AVIS D'ADJUDICATIONS — Bi-hebdomadaire paraissant depuis 1955 en langues arabe et française.

TARIF PERMANENT DES DOUANES SYRIENNES — Edition constamment mise à jour par un service bi-mensuel de rectificatifs

ARCHIVES BIOGRAPHIQUES PERMANENTES DU MONDE ARABE — Publication faisant état des biographies des personnalités responsables des différents Etats arabes avec un service de rectificatifs et d'additifs trimestriel. — Paraissant depuis 1950

SERVICE SPECIAL DE RENSEIGNEMENTS COMMERCIAUX : qui fournit aux intéressés des renseignements sur les maisons commerciales et industrielles établies en Syrie et dans les autres pays arabes.

SPECIMENS ET TARIF SUR DEMANDE

Le Bureau dispose d'Ouvrages et Etudes documentaires dont la liste est adressée gracieusement sur simple demande.

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Enclosure # 3 to
Despatch No. 150
December 27 1961
American Embassy
Damascus

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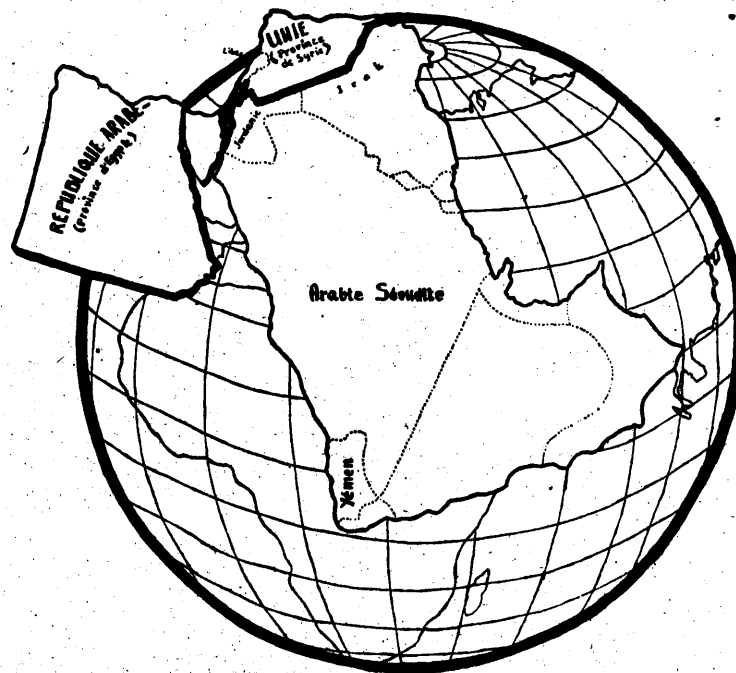
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ACCORD DE COLLABORATION ECONOMIQUE
ENTRE
LE GOUVERNEMENT DE LA REPUBLIQUE ARABE SYRIENNE
&
LE GOUVERNEMENT DU ROYAUME DE L'ARABIE SEoudITE

- du 16 Novembre 1961 -

1.- EXPOSE DES MOTIFS

Le Gouvernement de la République Arabe Syrienne et
le Gouvernement du Royaume de l'Arabie Séoudite
dans leur désir de raffermir les relations nationales et naturelles
qui relient leurs deux pays et pour confirmer leur résolution de consolider
entre eux la collaboration économique,

ont signé à Ryad le 16 Novembre 1961 un ACCORD de COLLABORATION
ECONOMIQUE dont les points les plus importants sont:

- 1.-Exemption des taxes douanières et des licences d'importation
et d'exportation des produits de l'agriculture et du règne animal
originaires de l'un des deux pays et importés par l'autre pays;
- 2.-Exemption des taxes de Douane et des licences d'importation d'un
grand nombre de produits arabes syriens importés à destination
du Royaume d'Arabie Séoudite, et aussi exemption d'un nombre im-
portant des deux tiers de ces taxes et des licences d'importation;
- 3.-Exemption des produits industriels fabriqués au Royaume d'Arabie
Séoudite des taxes douanières et des licences d'importation;
- 4.-Exemption des marchandises, des moyens de transports et leurs con-
ducteurs, transitant en territoires de l'une des deux Parties à
destination de l'autre ou se rendant aux territoires de celui-ci,
des taxes, redevances de transit ou n'importe quelles autres taxes;
- 5.-Formation d'une Commission commune d'experts pour le traitement des
affaires de l'application du présent Accord, l'étude et la coordi-
nation industrielle entre les deux pays afin de réaliser la colla-
boration économique entre les deux pays;
- 6.-Liberté de transfert des capitaux entre les deux pays conformément
aux mesures de détail qui interviendront d'accord entre les repré-
sentants des autorités monétaires des deux pays;
- 7.-Facilité de déplacement des personnes entre les deux pays et octroi
à leurs ressortissants des facilités nécessaires pour y exercer
les activités économiques;
- 8.-Encouragement de la fondation d'institutions communes d'exploita-
tion qui exerceront leurs activités dans les divers domaines éco-
nomiques.
- 9.-Les deux Parties Contractantes ont convenu, entre elles, en vertu
de l'échange de lettres ci-jointes d'ajourner pendant une durée
de deux années le remboursement du prêt consenti par le Gouverne-
ment du Royaume de l'Arabie Séoudite en faveur du Gouvernement de
la République Arabe Syrienne, et dont le premier terme de rembour-
sement commencera en l'année 1963.

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La ratification du présent Accord étant susceptible de consolider les relations nationales et les liens fraternels existant entre la République Arabe Syrienne et le Royaume de l'Arabie Séoudite, le projet de Décret législatif ci-annexé a été préparé.

LE MINISTRE DE L'ECONOMIE

s/ AWAD BARAKAT

Textes de

L'ACCORD DE COLLABORATION ECONOMIQUE ENTRE
LES GOUVERNEMENTS DE LA REPUBLIQUE ARABE
SYRIENNE ET DU ROYAUME DE L'ARABIE SEoudITE

Le Gouvernement de la République Arabe Syrienne
et le Gouvernement du Royaume de l'Arabie Séoudite,

Désireux de raffermir les relations nationales et naturelles entre leurs deux pays et pour confirmer leur résolution de consolider la Collaboration Economique entre eux,

ONT CONVENU DE CE QUI SUIT:

Article 1er. - Chacune des deux Parties Contractantes déploiera tout ce qui est en son pouvoir, pour faire arriver les relations économiques entre leurs deux pays à l'extrême limite possible de la collaboration et du développement économique, conformément aux dispositions du présent Accord et aux règlements en vigueur dans chacun des deux pays.

Article 2. - 1.-Le Gouvernement du Royaume de l'Arabie Séoudite autorisera l'importation des produits agricoles, animaliers, industriels et les richesses naturelles originaires de la République Arabe Syrienne, importés directement au Royaume de l'Arabie Séoudite et le Gouvernement de la République Arabe Syrienne autorisera l'exportation de ces produits dans les limites de ses possibilités économiques.

2.-Le Gouvernement de la République Arabe Syrienne autorisera l'importation des produits agricoles, animaliers et industriels et les richesses naturelles originaires du Royaume de l'Arabie Séoudite, importés directement par la République Arabe Syrienne et le Gouvernement du Royaume de l'Arabie Séoudite autorisera l'exportation de ces produits dans les limites de ses possibilités économiques.

Article 3. - 1.-Sont exemptés des taxes douanières et des permis d'importation et d'exportation, les produits de l'agriculture et du règne animal, produits dans le pays de l'une des deux Parties Contractantes et importés directement au pays de l'autre Partie.

2.-Le Gouvernement du Royaume de l'Arabie Séoudite exempte des taxes de douane et des permis d'importation, les produits industriels fabriqués dans la République Arabe Syrienne, importés directement au Royaume d'Arabie Séoudite et énumérés au Tableau N°1 annexé au présent Accord.

3.-Le Gouvernement du Royaume de l'Arabie Séoudite exempte des permis d'importation et des deux tiers des taxes douanières, les produits industriels fabriqués en la République Arabe Syrienne, directement importés par le Royaume d'Arabie Séoudite et mentionnés au Tableau N°2 annexé au présent Accord.

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4.-Le Gouvernement de la République Arabe Syrienne exempte des taxes douanières et des permis d'importation tous les produits industriels fabriqués dans le Royaume d'Arabie Séoudite et importés directement par la République Arabe Syrienne.

5.-Sur entente entre les gouvernements des deux parties contractantes, les tableaux N°s 1 et 2 annexés au présent Accord peuvent être modifiés en y ajoutant certains produits ou en les supprimant.

Article 4.- Toute marchandise bénéficiant de l'exemption ou d'un droit préférentiel en vertu du présent Accord devra être accompagnée d'un certificat d'origine dûment légalisé par les autorités gouvernementales compétentes dans chacun des deux pays. Les produits industriels ne sont considérés d'origine syrienne ou séoudienne que si les matières premières syriennes ou séoudiennes et le coût de la production locale entrant dans la fabrication ne sont pas inférieurs à 40 % du coût de revient de la production totale..

Article 5.- Chacune des deux Parties Contractantes réservera à l'autre Partie le traitement de la nation la plus favorisée et surtout en ce qui concerne les affaires de l'importation, de l'exportation, du transit et des frais douaniers, et en ce qui se rapporte aux affaires du contrôle sur l'importation et la monnaie.

Article 6.- Chaque Partie Contractante exemptera les marchandises, les moyens de transports et leurs conducteurs passant à travers ses territoires, en provenance des territoires de l'autre Partie ou à sa destination, des droits, redevances de transit et de toutes autres taxes afférentes au transit.

Article 7.- Le traitement de l'Etat le plus favorisé, stipulé au présent Accord ne s'étend pas:

- 1.- aux privilèges accordés ou qui seront accordés par l'une des deux Parties Contractantes pour faciliter le commerce des frontières;
- 2.- aux avantages résultant d'une union douanière que concluerait une des deux Parties Contractantes.

Article 8.- 1.-Le règlement de toutes les transactions courantes entre les gouvernements des deux Parties Contractantes et entre les personnes physiques et morales résidant en la République Arabe Syrienne et au Royaume d'Arabie Séoudite s'effectuera en dollars américains, ou en Livres Sterling ou en toute autre monnaie convertible convenue entre les deux Parties Contractantes.

- 2.-Chacune des deux Parties Contractantes autorisera le transfert des devises mentionnées au paragraphe précédent à destination de l'autre Partie Contractante en règlement des paiements dus résultant des (transactions courantes) entre les deux pays, conformément aux dispositions du présent Accord.

Article 9.- Dans le but de la bonne exécution du présent Accord, et pour garantir la réalisation et l'extension des avantages réciproques qu'il assure, les deux Parties Contractantes ont convenu de former une commission commune d'experts syro-séoudienne qui se réunira une fois au moins tous les six mois, ou sur la demande de l'une des deux Parties Contractantes et dont la mission est de:

- 1.-traiter les difficultés qui surviendraient dans l'application du présent Accord ou qui s'opposeraient à l'évolution des échanges commerciaux entre les deux pays;
- 2.-présenter les propositions relatives à l'amendement du présent Accord, dans le but d'élargir les échanges commerciaux et d'évoluer les relations économiques entre les deux pays;

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3.-étudier la coordination industrielle pour la réalisation de la collaboration économique entre les deux pays.

Article 10.-Chaque Partie Contractante fournira à l'autre les facilités nécessaires pour l'établissement des foires afin d'y exposer ses produits dans les limites des lois et des règlements en vigueur.

Article 11.- Les deux Parties Contractantes ont convenu de ce qui suit:

- 1.-Liberté de transfert des capitaux entre les deux pays y compris le produits des propriétés appartenant aux ressortissants de l'un des Etats dans le pays de l'autre,et ce conformément aux dispositions de l'article 8 du présent Accord.Les mesures de détails seront établies à ce sujet entre la Banque Centrale de Syrie et l'Institution monétaire de l'Arabie Séoudite.
- 2.-Facilité de déplacement des personnes entre les deux pays conformément aux règlements et aux instructions en vigueur à ce sujet dans chacun des deux pays.
- 3.-Chacune des Parties accordera aux sujets de l'autre les facilités nécessaires pour l'exercice de leurs activités économiques,et ce, suivant les dispositions qui seront convenues entre les gouvernements des deux Parties Contractantes et qui ne seraient pas opposées aux règlements et aux lois en vigueur dans le pays de chacune des deux Parties.

Article 12.-Les deux Gouvernements encourageront la fondation d'établissements d'exploitation commune exerçant leurs activités dans les divers domaines économiques d'intérêts mutuels entre les deux pays,et les deux pays participeront à leurs capitaux suivant les règlements et les lois en vigueur dans chacun des deux pays.

Article 13.- Le présent Accord rentrera en vigueur à la date d'échange des instruments de sa ratification qui doit avoir lieu de la part des deux Parties Contractantes dans le délai d'un mois à compter de la signature du présent Accord dont la validité prend fin à l'expiration d'une année à partir de son application.La prorogation de la validité du présent Accord s'effectuera d'année en année si les deux Parties Contractantes en conviennent.

A compter de sa mise en vigueur,le présent Accord sera substitué à l'Accord Commercial conclu en date du 30 Janvier 1961 entre le Gouvernement de la République Arabe Unie - Province Nord et le Gouvernement du Royaume de l'Arabie Séoudite.

Le présent Accord a été fait à Ryad le 8.6.1381 de l'Hégire,correspondant au 16 Novembre 1961,en deux exemplaires originaux en langue arabe.

Pour le Gouvernement du
Royaume de l'Arabie
Séoudite

NAWWAF BEN ABDEL AZIZ

Pour le Gouvernement de la
République Arabe Syrienne

AWAD BARAKAT

BUREAU DES DOCUMENTATIONS SYRIENNES & ARABES
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TABLEAU N° 1

annexé à l'Accord Commercial conclu entre les Gouvernements du Royaume d'ARABIE SAOUDITE et de la REPUBLIQUE ARABE SYRIENNE

LES PRODUITS INDUSTRIELS SYRIENS EXEMPTES DES TAXES DE DOUANES

- 1.-Les tissus de soie pure y compris les crêpes, les déchets de soie artificielle et fibres textiles purs ou mélangés (c'est-à-dire renfermant 20 % ou plus de soie artificielle ou ses fibres, ou entièrement), bruts, teints, imprimés, façonnés, ornés, brodés ou Jacquard.
- 2.- Les tissus en coton purs ou mélangés (renfermant 20 % ou plus de coton), bruts, blanchis, teints, façonnés, ornés, brodés ou jacquard.
- 3.-Bonneteries de toutes sortes et de toutes matières textiles, y compris les vêtements intérieurs et les bas et chaussettes.
- 4.-Préparations de légumes, végétaux comestibles, fruits et leurs parties en conserves
- 5.-Chocolat
- 6.-Bois écorce
- 7.-Papier à cigarettes
- 8.-Meules de moulin
- 9.-Coton médical
- 10.-Pulpes de betterave, tourteaux, fourrages
- 11.-Remèdes et préparations pharmaceutiques
- 12.-Eau de fleurs et eau de roses
- 13.-Bougies pour éclairage
- 14.-Colle animale
- 15.-Caractères d'imprimerie
- 16.-Ouvrages de coquillages
- 17.-Machines agricoles
- 18.-Machines industrielles productives
- 19.-Papier à journaux
- 20.-Cordes (ficelles)
- 21.-Ressorts métalliques
- 22.-Machines et outils pour l'élevage de la volaille et des animaux
- 23.-Fils de laine
- 24.-Fils, filets, lignes et crochets pour la pêche aux poissons
- 25.-Huiles végétales de toutes sortes, y compris l'huile de sésame (Tehiné), liquides ou hydrogénées
- 26.-Câbles et fils électriques
- 27.-Bois contreplaqué, bois "mazonit", bois comprimés.

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TABLEAU N° 2

annexé à l'Accord Commercial conclu entre les Gouvernements
du ROYAUME D'ARABIE SEoudITE et de la REPUBLIQUE ARABE SYRIENNE

LES PRODUITS INDUSTRIELS SYRIENS SOUMIS A UN TARIF DOUANIER EQUIVALENT AU TIERS
DU TARIF NORMAL

- 1.-Amidon
- 2.-Sucrieries
- 3.-Pâtes alimentaires, à l'exception des macaronis de toutes sortes
- 4.-Savon ordinaire en bloc ou en poudre
- 5.-Allumettes de toutes sortes
- 6.-Peaux tannées
- 7.-Cuirs de toutes sortes, bronzés, dorés, argentés ou colorés
- 8.-Peaux teintées ou préparées ou peaux peintes
- 9.-Tous ouvrages en cuirs tannés
- 10.-Ouvrages en bois incrustés de n'importe quelle matière (mosaïques)
- 11.-Carton ordinaire (non travaillé) en feuilles ou rouleaux
- 12.-Passementeries en soie naturelle ou artificielle ou en coton
- 13.-Fil de coton.
- 14.-Tapis de pieds en laine ou coton
- 15.-Vêtements ou parties de vêtements de toutes matières textiles
- 16.-Lingerie et ses parties de toute nature et des diverses matières textiles
- 17.-Toutes autres variétés cousues ou préparées en tissus syriens, y compris les couvertures, serviettes et tentes
- 18.-Mouchoirs de poche, couvre-chef et pour le cou, en toutes matières textiles
- 19.-Vitres et verre en feuilles ou plaques de toutes sortes
- 20.-Articles de verrerie et vitrerie, soufflés ou comprimés, surtout à usage ménager
- 21.-Bonbonnes, bouteilles et flacons de tous genres
- 22.-Ouvrages en verre pour les ateliers de Chimie
- 23.-Articles de verrerie pour table ou toilette des espèces ordinaires, à l'exception de ceux en cristal ou demi-cristal
- 24.-Bouchons et couvercles métalliques pour bouteilles, flacons, bonbonnes et autres récipients
- 25.-Miroirs en verre, sans cadres, à l'exception des miroirs en cristal
- 26.-Levures et cachets pour les médicaments
- 27.-Papier lustré
- 28.-Filés de soie artificielle
- 29.-Filés de fibres de soie artificielle, fibranne
- 30.-Filés en caoutchouc recouverts de coton.

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REPUBLIQUE ARABE
SYRIENNE

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Au nom de Dieu Miséricordieux

A Son Excellence le Président de la Délégation
du Royaume d'Arabie Séoudite

Salutations.

En ce qui concerne le prêt de seize millions de dollars américains, le Gouvernement de la République Arabe Syrienne désire en ajourner le règlement du premier terme qui sera dû en 1961. Le Gouvernement de la République Arabe Syrienne réglera le prêt précité en dix termes annuels à partir de l'année 1963, en vertu de la Convention relative à ce prêt datée du 23 Rabi' el Awal 75 de l'Hégire, correspondant au 9 Novembre 1955, et sans aucune référence à l'Accord Commercial mentionné à l'article 5 de la susdite Convention.

Veuillez agréer..mon profond respect

Le 8.6.1381 de l'Hégire, correspondant
au 16.11.1961 de l'ère chrétienne

Le Président de la Délégation de la
République Arabe Syrienne, Ministre
de l'Economie et de l'Industrie

Dr. AWAD BARAKAT

ROYAUME D'ARABIE SEOUDITE
MINISTERE DES FINANCES ET
DE L'ECONOMIE NATIONALE

A Son Excellence le Président de la
Délégation Syrienne

Salutations.

J'ai reçu votre lettre en date du 16 Novembre 1961, ainsi conçue:

"En ce qui concerne le prêt de seize millions de dollars américains, le Gouvernement de la République Arabe Syrienne désire en ajourner le règlement du premier terme qui sera dû en 1961. Le Gouvernement de la République Arabe Syrienne réglera le prêt précité en dix termes annuels à partir de l'année 1963, en vertu de la Convention relative à ce prêt datée du 23 Rabi' el Awal 75 de l'Hégire, correspondant au 9 Novembre 1955, et sans aucune référence à l'Accord Commercial mentionné à l'article 5 de la susdite Convention."

En vous faisant part de l'approbation du Gouvernement du Royaume de l'Arabie Séoudite de la teneur de votre lettre précitée, je vous prie d'agréer mon profond respect.

Le 8.6.1381 de l'Hégire, correspondant
au 16 Novembre 1961 de l'ère chrétienne

NAWWAF BEN ABDEL AZIZ

Ministre des Finances et de
l'Economie Nationale

BUREAU DES DOCUMENTATIONS SYRIENNES & ARABES
Damas - Syrie

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FOREIGN SERVICE DESPATCH

FROM ² Ambassador BAGHDAD

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NO.

TO THE DEPARTMENT OF STATE, WASHINGTON.

30 June 1962
DATE

REF ⁴ CERP: D-13, Embdesp 433, December 23, 1961

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SUBJECT: Iraq-Syria Economic Cooperation Agreement

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The text of the recommendations for bilateral economic cooperation, as formulated by an Iraqi-Syrian committee which met in Damascus June 10-18 and approved by the respective governments, was officially released in Baghdad and Damascus on June 28 (Enclosure 1). The Embassy received a copy of the Arabic text earlier in the day as well as a briefing on the intent of the agreement.

The approved recommendations become part of the Economic Cooperation Agreement signed on November 3, 1961. The text of this agreement is given in Embassy Despatch 433, December 23, 1961. These recommendations became effective at once and are concerned with the (1) expansion of trade, (2) coordination of industrial development, (3) facilities for the transfer of capital, (4) travel, residence, work and employment and (5) coordination of the laws and regulations of the two countries "to achieve the purposes of economic cooperation between them."

Iraq and Syria agree to increase mutual trade within the limits of their respective policies for the promotion and protection of domestic industry. If either government licenses imports of specific goods, it will grant an absolute preference, as compared to any third country, to the goods actually produced in the other country. For example, Iraq agrees to grant import licenses freely, notwithstanding its unilaterally determined quota limits, for the import of such Syrian textile specialties as rayon and silk brocades. In order to make the preference system work and also to prevent abuses, the two parties agree to exchange lists of commodities eligible for such preferential treatment. Presumably these lists will constitute a list of banned items so far as third countries are concerned.

Similar trade preferences are also to be given by government organizations in purchasing their requirements abroad. Under this section, the Iraqis hope, among other things, to induce the Syrians to buy oil and oil products from Iraqi government agencies.

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As for the coordination of industrial development, the two governments agreed to take steps to have the problem examined on a factual basis at quarterly intervals by a group of experts whose recommendations will be submitted to the two governments for approval. Each government agrees to set up a technical bureau in its Ministry of Industry to follow the implementation of the industrial coordination planning which was approved by the two governments.

Provisions relating to facilities for the transfer of capital for productive investment purposes between Iraq and Syria amount to little more than a restatement of existing Iraqi practices. Iraq is concerned about the effect of recent Syrian legislation on the operations of Syrian branches of the Raffadain Bank, a wholly owned Iraq Government organization. Iraq succeeded in getting language which acknowledged that public organizations of one government could carry on economic activity in the territory of the other and that assets of one country invested in the other country might enjoy national treatment, but both provisions are qualified to the point where they could become almost meaningless. The Iraq Government is relying primarily on the final recommendation, a general one to the effect that the two parties shall study their respective laws and regulations with a view to coordinating them in order to achieve the purposes of economic cooperation. In the interim, the Iraq Delegation believe they received an oral assurance that the Syrian Government would not attempt either to vest part of the assets of the Raffadain Bank branches in Syria or to exercise additional controls on current banking transactions.

Provisions for facilitating travel, residence, work and employment follow the pattern already established in this set of recommendations, namely a bold statement of intention followed by a crippling qualification. Each country agrees, for example, to abolish visas for travel between the two countries, but the security authorities in the country of destination are free to turn back the traveler. Tourism is to be encouraged, but foreign exchange regulations remain in effect and Iraq on June 28 reduced the allowance for travelers from ID. 200 to ID. 150 a person (ID. 75 for children). Residence and work permits remain subject to existing laws and regulations, although duties and fees will be waived. The two parties agreed to relax provisions for granting labor permits to certain special categories, chiefly those living on or near the frontiers bordering the two countries or those families of mixed nationality. In addition, each country agreed that each organization could employ up to 15 per cent of its total employees from the citizens of the other country. Iraq limits the employment of other foreigners to 10 per cent of the firm's labor force.

END UNCLASSIFIEDBEGIN OFFICIAL USE ONLYComment

An official at the Foreign Ministry commented that these recommendations constitute a hopeful beginning. In the past, general agreements for economic cooperation with neighboring countries were frustrated by such Ministries as Trade, Interior, Defense and Social Affairs. The chief obstacle to economic cooperation was generally the Ministry of Trade. In order to get that Ministry more firmly committed to a liberal approach in implementing an

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economic cooperation agreement with Syria, the Minister of Foreign Affairs supported the designation of the Minister of Trade, Nadhim Zahami, to head the Iraqi Delegation to Damascus. The Embassy's informant said that the Foreign Ministry will observe closely the steps taken by the various Iraqi agencies to implement the agreement with Syria with a view to winning Syrian cooperation.

Each government is undoubtedly aware of the other's instability and the present cautious agreement reflects these mutual forebodings. Nevertheless, the Iraq Government, sensitive about its estrangement from the Arab League, is also apprehensive about the recent action of several member states in approving the Economic Council's draft agreement for economic unity. This draft represents the Egyptian point of view which is vigorously opposed by Iraq. Its present economic cooperation agreement with Syria may serve to deter Syria from approving the Egyptian program for Arab economic unity.

For the Charge d'Affaires, a.i.:

William H. Bray, Jr.
William H. Bray, Jr.
Counselor of Embassy
for Economic Affairs

RM
cc: Basra
Beirut
Cairo
Damascus *att*

Enclosure: Encl. No. 1

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In compliance with the provisions of Article 10 of the Iraqi-Syrian Economic Cooperation Agreement, the joint committee held several meetings during June 10-18, 1962, during which the committee has studied the proposed subjects submitted by both parties and which were set forth in its agenda. These subjects aim at enlarging the scope of economic cooperation between the two countries and creating new measures to develop the economic relations and provide more facilities to increase the exchange of trade between them. After reviewing the economic circumstances of both countries, particularly those connected with developing economic projects, it has made the following recommendations:

First - As regards the expansion of trade the recommendations cover the following:

1. Competent departments in each country shall grant import licenses for goods produced in the other country immediately and without restrictions on the basis of (i.e., without regard to) annual quotas provided for in the imports program except for matters connected with the protection of the national industry.
2. In case the local production in each of the two countries can not meet the local demands for a particular commodity, that country shall import its needs from the other.
3. Each of the two sides shall take the necessary measures to confine as closely as possible its imports of goods produced in the other country (i.e., the goods produced in one country and on which the other party grants import preferences) to those goods actually produced in the other country. To implement this, the two parties shall exchange tables listing these commodities which will be effective after the approval of the other party.
4. To disallow the changing of the country of origin in import licenses granted for importation from the other party.
5. The two sides shall take precautions to ensure that the goods of a third country shall not infiltrate to their countries as if they are produced in one of them; and
6. The Government organizations in each of the two countries shall import their needs of goods from the other country either through competent organizations or directly.

Second - As regards industrial coordination:

1. This subject shall be dealt with on a scientific basis with full observation of the conditions of the two countries in order to refrain from injuring the industries of each of them.
2. The Ministry of Industry in each country shall within three months complete the following:

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- A - to prepare statistics and studies on the present industries and those to be established.
- B - to prepare reports on all laws, regulations and instructions concerning industry including financial and customs legislations.
- 3(A) - A permanent Joint Committee of experts shall be set up. This committee shall propose a general plan for industrial coordination in the light of information studies and legislation submitted to it by the two sides.
 - This committee shall meet immediately after it receives the required information. Its proposals will be forwarded to the competent quarter in each country. The proposals shall be effective after they are approved by the two sides.
- (B) - The Committee of experts shall meet afterwards at three monthly intervals in Baghdad and in Damascus to study what difficulties are facing the implementation of the industrial coordination planning. It will submit the proposals to surmount them.
- 4. A technical bureau shall be established in the Ministry of Industry of each of the two countries whose task is to follow the implementation of the industrial coordination planning which was approved by the two Governments.
- 5. The two sides shall make efforts to further industrial relations between them, especially the establishment of joint industrial organizations.

Three - Facilities for the transfer of capital.

- 1. The two sides shall permit the transfer of capital in each other's country for productive investment purposes which will contribute to the development of their economies in accordance with laws, regulations and instructions effective in each of them. They also pledge to return the invested assets to their origin in the other country and in the same currency in which they came or with any other currency to be agreed upon between them. The remittance of these properties to a third country is inadmissible unless after the approval of the competent authorities of both countries.
- 2. The two sides shall permit the remittance of the reasonable profit resulting from the investment of these properties to the other country under the same conditions mentioned in the previous paragraph ^{graph} as regards the transfer of capital.
- 3. The field of investment of the capital mentioned in Para I is not allowed unless after the approval of the authorities of the country to which the capital was exported.
- 4. The citizens of both sides are allowed as well as their public and private organizations to exercise all kind of economic activity in each other's country in accordance with the provisions of laws, regulations and instructions effective in each of the two countries.

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5. The invested assets of any side in the other country shall enjoy, with the approval of the latter, the same rights which the national capital is enjoying and shall abide by the same obligations by which the national capital is abiding in the same field of investment and in accordance with the effective laws, regulations and instructions.

6. The competent authorities in each country shall provide the other from time to time with the details of the movement of the transfer of capital between them.

Fourth - The transfer, residence, work and employment:

1. The abolishing of visas between the two countries provided that the traveller shall possess a regular passport. To avoid some difficulties which might face any traveller, the committee advises that the traveller shall before his departure refer to the representation of the country of his destination to be sure that there is nothing preventing his entry to that country.

2. To permit the citizens of the two countries to reside freely in the other country provided that they get the residence documents under the effective laws.

3. The two sides shall take necessary measures and arrangements to encourage their citizens for tourism in each other's country. To implement this the tourists, as such, shall be granted all the facilities which ensure for them the freedom of traffic, residence and tours.

4. To permit the citizens of each of the two countries to work freely in the other country provided that they get the labor permits in accordance with the effective laws and regulations.

5. The residence documents and the labor licenses of the citizens of the two countries are exempted from duties provided for in the law either when they are issued for the first time or when they are extended or renewed.

6. Labor licenses shall be granted for all kinds of works and professions provided that this shall contribute to the improvement of quality of the production and it does not increase unemployment with the following exceptions.

- A. The one who was legally residing for five years;
- B. The one who was born there and was residing for over a year when he applied for the license.
- C. The one who has relatives of second degree or marriage relations between the citizens of the countries.

7. Each organization or a factory has the right to employ not exceeding 15 percent of the total employees from the citizens of the other country. The competent Minister in each of the two countries has the authority to increase

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this ratio if this is necessitated by the public interest.

General Recommendation

The two sides shall study the effective legislation and regulations in each other's country with a view to coordinate them to achieve the purposes of the economic cooperation between them.

Damascus 18 June 1962

Head of the Syrian Delegation

George KHOURI
Minister of Finance and Economics
Arab Republic of Syria

Head of the Iraqi Delegation

Nadhim AZ ZAHAWI
Minister of Commerce
Republic of Iraq

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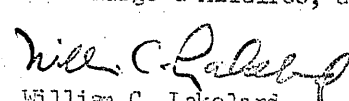
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AGR	COM	FRB	FROM : Embassy, Baghdad			
	10		DATE: July 7, 1962			
INT	LAB	TAR	SUBJECT: Abolition of Visas Between Iraq and Syria			
			REF : Embassy Despatch 830, June 30, 1962			
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Cassim's repeated pronouncements during the month of June 1962, that visas would be abolished between Iraq and Syria, hyperbolically expressed at the climax of his extemporaneous Baghdad University speech June 15 when he said that the borders between the two countries would soon disappear, as they were one country and one people, though the flag of each would still wave over its own country, found fruition of a sort in the announcement on June 30 of an Iraqi-Syrian Economic Cooperation Agreement which included such a provision for the abolition of visas. (Ref. Despatch)

However, this provision, Paragraph 1 of Part 4 of the Agreement, warned that "to avoid certain difficulties which might face the traveller" he is advised to check with the representatives of the country of his destination "to be sure that there is nothing preventing his entry to that country." Thus, although there are some advantages in the lack of visa fees, and particularly for frequent travellers between the two countries who can now forget about visa expiration dates, the ordinary traveller will find himself obliged to refer to the Consulates of the country of his destination to avoid the danger of being turned back by security officials upon his arrival. The borders, then, have not quite disappeared.

For the Charge d'Affaires, a.i.:


 William C. Lakeland
 First Secretary of Embassy

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